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PROPOSED PROGRAMME BUDGET FOR THE BIENNIUM 1992-1993*

PART VIII. COMMON SUPPORT SERVICES

Section 33. Administration and management

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* The present document contains section 33G of the proposed programme budget for the biennium 1992-1993. The complete proposed programme budget will subsequently be issued in final printed form as Official Records of the General Assembly, Forty-sixth Session, Supplement No. 6 (A/46/6/Rev.1).

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SECTION 33G. ADMINISTRATION, NAIROBI

TABLE 33G.1. ANALYSIS OF OVERALL COSTS

(Thousands of United States dollars)

DIRECT COSTS

(1) Regular budget

1990-1991 appropriation	Estimated additional requirements at revised 1991 rates				Total requirements at revised 1991 rates	Inflation in 1992 and 1993		1992-1993 estimates
	Revaluation of 1990-1991 resource base		Resource growth					
	$	%	$	%	$	$	%	
4 047.4	289.7	7.1	267.4	6.6	4 604.5	777.9	16.8	5 382.4

Analysis of real growth (at revised 1991 rates)

(1) Total revalued 1990-1991 resource base	Resource growth				Rate of real growth (5) over (1)
	(2) Actual	(3) Less non-recurrent items	(4) Plus delayed growth (new posts)	(5) Adjusted	
4 337.1	267.4	260.6	-	6.8	0.1%

(2) Extrabudgetary resources	-
Total, direct costs	5 382.4

TABLE 33G.2. ANALYSIS OF REVALUED 1990-1991 RESOURCE BASE (AT REVISED 1991 RATE)

(Thousands of United States dollars)

			Additional requirements							
			Delayed impact of 1990-1991 growth		Recosting at revised 1991 rates					
	1990-1991 appropriation (1)	Non-recurrent 1990-1991 items (2)	Established posts (3)	Other objects of expenditure (4)	Established posts (5)	Other objects of expenditure (6)	Special adjustments (7)	Total (8)	Net additional requirements (9) (8)-(2)	Total revalued 1990-1991 resource base (10) (1)+(9)
G. Administration, Nairobi	4 047.4	-	-	-	149.6	140.1	-	289.7	289.7	4 337.1

TABLE 33G.3. REGULAR BUDGET, DIRECT COSTS: SUMMARY OF 1992-1993 REQUIREMENTS AND RATES OF REAL GROWTH, BY OBJECT OF EXPENDITURE

(Thousands of United States dollars)

Objects of expenditure	1990-1991 appropriation	Estimated additional requirements at revised 1991 rates: Revaluation of 1990-1991 resource base	Estimated additional requirements at revised 1991 rates: Resource growth	Total requirements at revised 1991 rates	Inflation in 1992 and 1993	1992-1993 estimates	Rate of real growth %
Established posts	614.1	34.7	639.6	1 288.4	222.9	1 511.3	98.5
General temporary assistance	173.8	8.7	-	182.5	30.4	212.9	-
Overtime and night differential	75.7	3.5	-	79.2	13.1	92.3	-
Temporary posts	581.1	58.5	(639.6)	-	-	-	(100.0)
Contractual services (medical)	4.6	0.2	-	4.8	0.8	5.6	-
Common staff costs	746.8	56.4	-	803.2	140.1	943.3	-
Travel of staff	6.7	0.1	-	6.8	1.2	8.0	-
Language training	4.8	-	-	4.8	0.8	5.6	-
Rental and maintenance of premises	923.0	64.4	218.9	1 206.3	200.2	1 406.5	-
Utilities	434.5	30.3	-	464.8	77.3	542.1	-
Rental and maintenance of equipment	311.1	21.9	20.0	353.0	58.6	411.6	6.0
Communications	13.1	0.9	-	14.0	2.3	16.3	-
Official functions	-	-	1.0	1.0	0.1	1.1	-
Miscellaneous services	76.5	5.1	(14.2)	67.4	11.2	78.6	(17.4)
Supplies and materials	43.9	3.1	-	47.0	7.8	54.8	-
Furniture and equipment	37.7	1.9	41.7	81.3	11.1	92.4	-
Total	4 047.4	289.7	267.4	4 604.5	777.9	5 382.4	0.1

TABLE 33G.4. POST REQUIREMENTS

Administration, Nairobi

	Established posts		Temporary posts					
	Regular budget		Regular budget		Extrabudgetary resources		Total	
	1990-1991	1992-1993	1990-1991	1992-1993	1990-1991	1992-1993	1990-1991	1992-1993
Professional category and above								
D-1	1	1	-	-	-	-	1	1
P-4	1	1	-	-	-	-	1	1
P-3	2	2	-	-	-	-	2	2
P-2/1	1	1	-	-	-	-	1	1
Total	5	5	-	-	-	-	5	5
Other categories								
Local level	13	52	39	-	-	-	52	52
Total	13	52	39	-	-	-	52	52
Grand total	18	57	39	-	-	-	57	57

33G.1 At its thirty-eighth session, by section XXI of its resolution 38/234 of 20 December 1983, the General Assembly took note of the report of the Secretary-General on common services at the United Nations accommodation at Nairobi (A/C.5/38/35) and the related report of the Advisory Committee on Administrative and Budgetary Questions (A/38/7/Add.22), and endorsed the recommendations of the Advisory Committee as contained in its report. Consequently, an organizational unit responsible for providing a number of common services, including the provision of utilities, security, local transportation of staff and buildings and grounds management was established at the Gigiri site of the United Nations Office at Nairobi on 1 July 1984. The final installation of the United Nations Nairobi offices, including the United Nations Environment Programme (UNEP) and the United Nations Centre for Human Settlements (Habitat), as well as offices of some other organizations of the common system, was completed by the end of 1985.

33G.2 Towards the end of 1987, an administrative review of the organization, functions and staffing of all administrative and common services units at Nairobi was carried out. The conclusions of that review have been reported upon in summary form in the context of the 1988-1989 revised estimates (A/C.5/43/1/Rev.1, chap. III, para. 28K.1). The General Assembly, in its resolution 43/213 of 21 December 1988, concurred with the comments and observations of the Advisory Committee on Administrative and Budgetary Questions as contained in its report (A/43/651 and Add.1).

33G.3 The arrangements recommended by the administrative review were to be implemented by stages. As a first step, mail operations, communications, travel and transportation, messenger service and medical service have been identified for transfer to Common Services, Nairobi, as at 1 January 1990, without, however, transferring the resources related to these services to the United Nations Common Services from the regular budget sections of UNEP and Habitat. The Advisory Committee on Administrative and Budgetary Questions, in its report, while reiterating "that the principle of common services remain valid where it leads to improved efficiency and economy", expressed some reservations and recommended that the situation should be kept under review.

33G.4 On 1 January 1990, the administration of the Joint Medical Services and the major part of the Cable Operations unit was transferred, on a trial basis, to the United Nations Common Services; this arrangement will continue throughout the end of the biennium 1990-1991 when the United Nations Common Services will administer these two services under sub-allotments from the funding organizations.

33G.5 Meanwhile, the United Nations organizations at Nairobi will examine jointly the modalities of a full transfer of these and other services, as well as the principles of a fair and just cost-sharing system, with a view to introducing such changes to coincide with the new biennium on 1 January 1992.

33G.6 The budgetary requirements for this section would be offset in part by rental income from specialized agencies and United Nations programmes occupying space at the United Nations Office at Nairobi. The level of rent was set in 1985 at $US 66 per square metre per year and remains unchanged. However, a review of the rental rate would be undertaken before the end of the current biennium with a view to introducing a revised rental level, compatible with the prevailing market rate for similar accommodation and services.

Resource requirements (at revised 1991 rates)

Conversion of temporary posts into established posts

33G.7 It is proposed to convert all 39 temporary posts (Local level) assigned to the Building and Ground Management Unit and the Security and Safety Unit into established posts. These posts were approved on a temporary basis for the biennium 1986-1987 in order to maintain maximum flexibility and now are proposed for conversion, as experience has demonstrated the need for these posts on a permanent basis. Accordingly, resource growth under established posts reflects the redeployment of $639,600 from temporary posts.

Overtime and night differential

33G.8 The estimated requirements under this heading ($79,200) relate, for the most part, to the security service. The tour platoon, consisting of seven Security Officers, must operate on a 24-hour basis, seven days a week, in order to provide security services for the large complex. Any absence on sick or annual leave has a direct impact on overtime, as security personnel not on the shift are requested to assist on an overtime basis.

General temporary assistance

33G.9 The estimated requirements under this heading ($182,500) relate to the continued financing of 12 staff in the Security and Safety Unit.

Contractual services (medical)

33G.10 A provision of $4,800 under this heading is requested for medical services for the staff of the Common Services Unit.

Travel of staff

33G.11 The requirements under this heading ($6,800), which have been estimated at the resource base level, relate to travel by the chief of the Common Services Unit to Headquarters for consultations on general administrative questions.

Language training

33G.12 The resources requested under this heading ($4,800) would provide for language training of the staff of the Common Services Unit.

Rental and maintenance of premises

33G.13 The requirements are estimated at $1,206,300 and include a recurrent provision of $987,400 for building maintenance ($274,900), landscaping ($157,000), electrical maintenance ($173,200), cleaning services ($215,200) and for ongoing preventive maintenance repairs of the fire alarm system and sanitary installations and toilets ($167,100). A non-recurrent additional requirement of $218,900 would be required for rehabilitation works on security installations ($85,400), supply systems for storm water drainage, irrigation, sewage pumps and solar heating systems ($43,500) and for a one-time replenishment of the depleted stocks of spare parts and building supplies ($90,000).

Utilities

33G.14 The resources requested under this heading ($464,800) relate to electricity, water, fuel and oil costs. Requirements are based on the present pattern of consumption and electricity and water tariffs during the current biennium.

Rental and maintenance of equipment

33G.15 The estimated requirements under this heading ($353,000), which reflect resource growth of $20,000, relate to contracts for maintenance of electrical and mechanical equipment, maintenance of telephone and electronic equipment and transportation of local staff.

33G.16 It is recalled that in recognition of the non-availability of sufficient and reliable public transportation facilities, the United Nations organizations initially provided for free transportation of staff between strategic pick-up points and the United Nations site at Gigiri on the outskirts of Nairobi. In 1985, a cost-sharing formula was agreed upon, whereby the United Nations Common Services provide for a subvention of $80,000 per biennium, the staff using the buses would pay 15 per cent of the costs, and the balance would be absorbed by the employer organization or programme. At the time the agreement was reached, the United Nations subvention corresponded to approximately 35 per cent of the total costs of operating six buses twice daily. The communications between Gigiri and places in Nairobi are still erratic, if available, and the buses are occupied to their full capacity. The transportation costs have escalated considerably and are estimated to reach an average per year of $204,000 in the biennium 1992-1993. It is proposed to increase by $20,000 the United Nations regular budget contributions for local transportation of staff.

Communications

33G.17 A provision of $14,000 is requested under this heading for telephone services, including telephone calls, rentals and installations, as well as cables and telexes.

Official functions

33G.18 The requirements of $1,000 under this heading, representing growth, are proposed to allow senior staff at the United Nations Common Services to reciprocate hospitality to primarily local and regional official and municipal authorities.

Miscellaneous services

33G.19 The estimated requirements under this heading ($67,400) reflect a negative growth of $14,200, of which $1,000 is proposed in order to offset the proposed increase under Official functions. The estimates relate to miscellaneous expenditures, such as cleaning of uniforms ($8,000), rodent and pest control ($9,900), general insurance for the buildings ($33,800) and other miscellaneous services ($15,700). The reduction in costs is attributable essentially to reduction of insurance rates during the current biennium.

Supplies and materials

33G.20 The resources requested under this heading ($47,000), involving no growth, would provide for stationery, office supplies, flags and the acquisition of new security uniforms.

Furniture and equipment

33G.21 The resources requested under this heading ($81,300), reflecting a non-recurrent additional provision of $41,700, would provide for the purchase and replacement of essential equipment for buildings management and grounds maintenance and of some office furniture for the Common Services. The non-recurrent provision would allow a replacement of three of the oldest security vehicles.

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PROPOSED PROGRAMME BUDGET FOR THE BIENNIUM 1992-1993*

Section 33. Administration and management

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SECTION 33H. INTERNAL AUDIT SERVICE

TABLE 33H.1. ANALYSIS OF OVERALL COSTS

(Thousands of United States dollars)

DIRECT COSTS

(1) Regular budget

1990-1991 appropriation	Estimated additional requirements at revised 1991 rates				Total requirements at revised 1991 rates	Inflation in 1992 and 1993		1992-1993 estimates
	Revaluation of 1990-1991 resource base		Resource growth					
	$	%	$	%	$	$	%	
5 902.0	202.9	3.4	118.1	2.0	6 223.0	391.2	6.2	6 614.2

Analysis of real growth (at revised 1991 rates)

(1) Total revalued 1990-1991 resource base	Resource growth				Rate of real growth (5) over (1)
	(2) Actual	(3) Less non-recurrent items	(4) Plus delayed growth (new posts)	(5) Adjusted	
6 104.9	118.1	-	-	118.1	1.9%

TABLE 33H.1 (continued)

(2) Extrabudgetary resources

	1990-1991 estimated expenditures	1992-1993 estimated expenditures
(a) Services in support of:		
(i) Other United Nations organizations	1 464.2	1 500.0
(ii) Extrabudgetary programmes	1 724.2	1 700.0
Total (a)	3 188.4	3 200.0
(b) Substantive activities	-	-
Total (b)	-	-
(c) Operational projects	-	-
Total (c)	-	-
Total (a), (b) and (c)	3 188.4	3 200.0
Total, direct costs		9 814.2

TABLE 33H.2. ANALYSIS OF REVALUED 1990-1991 RESOURCE BASE (AT REVISED 1991 RATE)

(Thousands of United States dollars)

			Additional requirements							
			Delayed impact of 1990-1991 growth		Recosting at revised 1991 rates					
	1990-1991 appropriation (1)	Non-recurrent 1990-1991 items (2)	Established posts (3)	Other objects of expenditure (4)	Established posts (5)	Other objects of expenditure (6)	Special adjustments (7)	Total (8)	Net additional requirements (9) (8)-(2)	Total revalued 1990-1991 resource base (10) (1)+(9)
H. Internal audit services	5 902.0	17.3	-	-	211.0	9.2	-	220.2	202.9	6 104.9

TABLE 33H.3. REGULAR BUDGET, DIRECT COSTS: SUMMARY OF 1992-1993 REQUIREMENTS AND RATES OF REAL GROWTH

(Thousands of United States dollars)

	1990-1991 appropriation	Estimated additional requirements at revised 1991 rates: Revaluation of 1990-1991 resource base	Estimated additional requirements at revised 1991 rates: Resource growth	Total requirements at revised 1991 rates	Inflation in 1992 and 1993	1992-1993 estimates	Rate of real growth %
H. Internal audit services	5 902.0	202.9	118.1	6 223.0	391.2	6 614.2	1.9

TABLE 33H.4. REGULAR BUDGET, DIRECT COSTS: SUMMARY OF 1992-1993 REQUIREMENTS AND RATES OF REAL GROWTH, BY OBJECT OF EXPENDITURE

(Thousands of United States dollars)

Objects of expenditure	1990-1991 appropriation	Estimated additional requirements at revised 1991 rates: Revaluation of 1990-1991 resource base	Estimated additional requirements at revised 1991 rates: Resource growth	Total requirements at revised 1991 rates	Inflation in 1992 and 1993	1992-1993 estimates	Rate of real growth %
Established posts	4 070.5	152.1	29.8	4 252.4	265.3	4 517.7	0.7
General temporary assistance	27.9	0.5	-	28.4	1.7	30.1	-
Consultants	9.9	0.3	-	10.2	0.9	11.1	-
Overtime	5.2	0.2	-	5.4	0.4	5.8	-
Common staff costs	1 464.5	58.9	(0.6)	1 522.8	92.8	1 615.6	-
Representation allowances	1.2	-	-	1.2	-	1.2	-
Travel of staff	195.3	5.5	40.2	241.0	17.9	258.9	20.0
Training	65.4	1.6	13.4	80.4	6.0	86.4	20.0
Maintenance of data-processing equipment	23.5	0.6	16.1	40.2	3.0	43.2	66.8
Official functions	0.6	-	-	0.6	-	0.6	-
Supplies and materials	21.6	(17.2)	10.0	14.4	1.1	15.5	227.2
Furniture and equipment	16.4	0.4	9.2	26.0	2.1	28.1	54.7
Total	5 902.0	202.9	118.1	6 223.0	391.2	6 614.2	1.9

TABLE 33H.5. POST REQUIREMENTS

Internal audit service

	Established posts		Temporary posts					
	Regular budget		Regular budget		Extrabudgetary resources		Total	
	1990-1991	1992-1993	1990-1991	1992-1993	1990-1991	1992-1993	1990-1991	1992-1993
Professional category and above								
D-2	1	1	-	-	-	-	1	1
D-1	-	-	-	-	1	1	1	1
P-5	3	3	-	-	2	2	5	5
P-4	6	6	-	-	9	9	15	15
P-3	6	6	-	-	2	2	8	8
P-2/1	10	10	-	-	1	1	11	11
Total	26	26	-	-	15	15	41	41
General Service category								
Principal level	7	7	-	-	-	-	7	7
Other levels	5	5	-	-	6	6	11	11
Total	12	12	-	-	6	6	18	18
Grand total	38	38	-	-	21	21	59	59

33H.1 The activities under section 33H are carried out by the Internal Audit Division, which conducts independent audits in conformity with generally accepted auditing standards. In accordance with the directives of the General Assembly and t : Secretary-General, and in line with the above-mentioned auditing standards, the Division's work encompasses the financial and administrative as well as the substantive or programme aspects of the activities that it audits. The outputs of the Division comprise the individual audits. Its findings and recommendations in each audit are communicated to the officials responsible and are followed up on a systematic basis to ensure that all necessary corrective action is taken promptly and properly. The Division has its headquarters in New York and maintains offices at Geneva and Nairobi. It is responsible for the internal auditing of all United Nations activities world wide for which the Secretary-General has administrative responsibility. These activities, whose combined expense budgets, income, assets and liabilities total more than $19 billion, comprise those financed from both the United Nations regular budget and extrabudgetary funds.

33H.2 During the biennium 1992-1993, the Division will extend its current emphasis on systems-based audits, review of internal controls and performance of detailed tests of transactions and balances, to include electronic data-processing (EDP) auditing, management auditing and additional audits of programme outputs and field activities. The latter additional audits are intended to reduce the incidence in field activities of lack or non-implementation of internal controls, which had resulted in loss of resources, mismanagement or failure to execute activities for the purpose intended. In response to the concern expressed by the General Assembly and the Advisory Committee on Administrative and Budgetary Questions, the Division will increase its audit coverage of extrabudgetary activities commensurately with the rise in the allocation of support resources it expects to receive. Activities falling under all sections of the programme budget will be audited by rotation, with varying frequency.

33H.3 A new way of analysing findings and recommendations will be developed and initially applied to help senior managers utilize audit feedback to achieve efficient programme execution. A study will be initiated on whether and in what way a new type of comprehensive audit of all United Nations programmes in a given country could contribute to the assessment of the overall performance of those programmes and their impact. To increase the productivity of the auditing staff, innovative applications of electronic data processing to the performance of audits will be identified or developed, and auditors will continue to be given technical and professional training.

33H.4 Inasmuch as the different kinds of audit are interconnected and complementary and as the services performed by the Division are of an internal nature and not directly reported to Member States, no priority designations among the outputs have been made.

33H.5 The activities described below are financed in part under the United Nations regular budget ($6,614,200) and also with extrabudgetary resources ($3,200,000).

Activities:

Audit services

(a) Approximately 80 audits of assets and liabilities: the extent to which assets are properly safeguarded; compliance with the established regulations, rules, policies, procedures and standards governing the acquisition, use, recording or control of the Organization's assets and liabilities; the reliability and integrity of financial and operating information; and the adequacy and effectiveness of related internal controls;

(b) Approximately 220 audits of income and expenditures: the extent of compliance with the established regulations, rules, policies, procedures and standards governing the handling and control of the Organization's income and expenditures; the reliability and integrity of financial operating information; and the adequacy and effectiveness of related internal controls;

(c) Approximately 100 audits of management and programme objectives, activities and outputs: the extent to which operational and substantive programmes and projects are managed and operated effectively, economically and efficiently; related activities and outputs are carried out or produced as planned; and established objectives and goals are achieved satisfactorily;

(d) Approximately 10 EDP audits: the extent to which a rational policy and set of procedures governing the acquisition, safeguarding and management of the utilization of computer equipment, software and systems, are established and implemented; standards for the economical and efficient production and the utility and quality of EDP outputs are set and observed; and related internal controls are adequate and effective;

(e) Continuing audit of the implementation of the integrated management information system project to ensure its auditability and that security and internal controls are installed and functioning as intended.

Resource requirements (at revised 1991 rates)

Redeployment

33H.6 Owing to the increased workload in the Internal Audit Division, Geneva office, it is proposed to redeploy one P-4 Auditor from New York to Geneva.

General temporary assistance

33H.7 The estimated requirements of $28,400, at the maintenance base level, relate to secretarial assistance in the Division's Geneva office and to maternity and sick-leave replacements.

Overtime

33H.8 A provision of $5,400, at maintenance base level, would be utilized during peak periods.

Consultants

33H.9 A provision of $10,200, involving no growth, would cover the cost of the services of external auditing firms or consultants to provide the necessary advisory opinions and expertise to the Division in such audits as airfare structures for travel, construction, communciation and electronic data-processing systems.

Travel of staff

33H.10 The estimated requirements in the amount of $241,000, involving a growth of $40,200, relate to expanded audit coverage of the regional commissions (including subregional and country offices, multinational programme and operational centres and regional centres), the United Nations offices at Vienna, Nairobi and Geneva, United Nations information centres and peace-keeping and other overseas operations financed from the regular budget. These resources would also be used for increased audits on a regular basis of programme output delivery, as required under rule 105.1 of the Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and Methods of Evaluation.

Training

33H.11 In line with the strengthening of the Internal Audit Division, as endorsed by the General Assembly at its fortieth session, resources in the amount of $80,400, involving a growth of $13,400, are requested to cover the cost of continuing professional training programmes. It is estimated that approximately 240 work days of external training, including two seminars at Geneva for the Division's auditors posted there and at Nairobi, will be utilized during the biennium 1992-1993. Training will concentrate on management auditing, new audit techniques, electronic data-processing auditing and controls, such as auditing of advanced computer systems, the role of auditors in system development, and introduction to the use of the microcomputer to auditing work and the latest audit software.

Maintenance of data-processing equipment

33H.12 The resources proposed under this heading ($40,200), reflects a growth of $16,100. The growth reflects the increased number of data-processing equipment in the Division.

Supplies and materials

33H.13 A provision of $14,400, involving a growth of $10,000, is proposed for the purchase of electronic data-processing software for auditing work. Increased requirements reflect the changing nature of audit operations in the context of expanded automation in the Secretariat.

Furniture and equipment

33H.14 A provision of $26,000, involving a growth of $9,200, is requested for the purchase of five microcomputers, two optical scanners and accessory furniture.